Q1 2018 Results:
Stable sales at constant exchange rates
Adjusted EBITDA penalized
by raw material prices and currency effects

Highlights **Paris, April 24, 2018**

- **Slight organic growth of 0.1%(1), reported net sales down 7.2% year-on-year at €568m due to adverse currencies**
- **Lower sales than expected in EMEA (-4.6%)(1) and in North America (-1.6%)(1), including negative calendar effects**
- **Strong organic growth in Sports (up 15.9%)(1) and good start to the year for the CIS, APAC and Latin America segment (up 5.0%)(1)**
- **Adjusted EBITDA(2) down to €30m versus €52m in Q1 2017, penalized by raw material prices, lower activity in EMEA and North America and currency effects**

(1) Organic growth: at constant scope of consolidation and exchange rates only reflects changes in volumes and the product mix (note that in the CIS segment, price increases implemented to offset currency fluctuations are not included in organic growth,). See the definition of alternative performance indicators at the end of this press release.
(2) Adjusted EBITDA: adjustments include expenses such as restructuring, acquisitions and share-based payment expenses. See the definition of alternative performance indicators at the end of this press release.

Net sales at constant scope of consolidation and exchange rates remained stable (+0.1%) in Q1 2018. In EMEA (down 4.6%), the basis of comparison to last year was high (Q1 2017 organic growth of 7.0%) and the performance has been penalized by a negative calendar effect (-1.6%) and destocking at key customers. In North America, like-for-like(1) sales were down 1.6%, also affected by a negative calendar effect (-1.6%). The Sports segment continued to enjoy strong growth (up 15.9%) and the CIS, APAC and Latin America segment started the year on a solid 5.0% organic growth.

Reported sales were down 7.2% versus Q1 2017. Currency movements had a significant -7.5% negative impact in the first quarter primarily due to the US dollar, the Russian ruble and the Swedish krone. The perimeter impact accounted for +0.3% thanks to the acquisition of the assets of Grassman, a leading Australian synthetic turf manufacturer that reported approx. €10m of sales in 2017.

The Group **adjusted EBITDA** amounted to **€30m** (vs. €52m in Q1 2017) and the **adjusted EBITDA margin** came in at **5.2%**. We delivered a good level of productivity (+€9m) and selling price increases contributed positively (+€2m). However, as expected, raw materials (-€10m) remained adverse in Q1. Currency effects also penalized the adjusted EBITDA (-€5m), mainly owing to the Russian ruble's devaluation compared to last year, the British pound and Norwegian krone. The net impact of currency and selling prices in the CIS countries (lag effect) is -€2m. In addition, the volume decrease in EMEA and North America has negatively impacted the profit of the Group.

We continue to deploy selling price increases where needed and have implemented cost reduction measures across the Group. In addition, our robust program of new product launches, which are being well received by our customers, will also contribute to mitigate some of the shortfall of the first quarter.

Commenting on these results, **Glen Morrison, CEO,** stated:

"While the first quarter is traditionally the quietest quarter of the year, revenue level is below our expectations. The adverse effects of raw material price increases and currencies continue to negatively impact our profitability. We have and are taking actions to both accelerate the deployment of our growth initiatives and reduce costs. I am confident that we will return to our usual levels of profitability in the medium term."

Net sales by segment

€ million	Q1 2018	Q1 2017	% Change	o/w organic growth[1]
EMEA	228.3	243.4	-6.2%	-4.6%
North America	163.5	190.3	-14.1%	-1.6%
CIS, APAC & Latin America	116.3	121.3	-4.1%	+5.0%
Sports	59.8	56.7	+5.4%	+15.9%
Total Group	**567.9**	**611.7**	**-7.2%**	**+0.1%**

Adjusted EBITDA[2]

€ million	Q1 2018	Q1 2017	Change
Adjusted EBITDA *% of net sales*	29.8 *5.2%*	51.5 *8.4%*	-42% *-320 bps*

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Comments by reporting segment

Europe, Middle East and Africa (EMEA)

In EMEA, Q1 2018 **like-for-like**[1] sales were **down 4.6%** vs. Q1 2017, affected by a negative calendar effect (-1.6%) and compared to a strong quarter in 2017 (7.0% organic growth). Trading has been particularly weak in France owing mostly to significant destocking in distribution and adverse weather conditions resulting in commercial projects being delayed. Nordic countries have experienced a stronger than anticipated slowdown, albeit from a record-high basis of comparison in 2017. In the UK, trading has been poor, owing to destocking at some distributors and the liquidation of a major building contractor adding to the anticipated weakening. Southern Europe (Italy, Spain and Portugal), Central Europe and the Netherlands kept growing.

Luxury vinyl tiles (LVT) continued to perform well. The capacity and efficiency improvement program (€20m investment over three years) is well on track.

Sales **retreated 6.2%** on a **reported basis,** hit by unfavorable exchange rate fluctuations (mainly the Swedish krone and Norwegian krone). Selling price increases have been implemented in 2017 and are progressively contributing to mitigate raw material costs.

North America

North America reported a **1.6% decline in organic growth** vs. Q1 2017, negatively impacted by a lower number of working days (-1.6%).
Sales performance was mixed. The resilient business continued to perform well, thanks to good trends in the rubber, accessories and VCT (Vinyl Composite Tiles) businesses. Luxury vinyl tiles (LVT) reported vigorous growth, the recently launched ProGen (semi-rigid board product) is gaining traction across North America. The $60m three-year investment program in the LVT category is progressing well to enable Tarkett to enhance its local capacity and improve production efficiency.

Commercial carpet activity was slower than anticipated in the first three months of the year, especially in the education and office sectors. We are on track with the product launches program designed to improve sales performance.

Reported sales decreased by **14.1%**, strongly hit by the depreciation of the US dollar against the euro.

On April 6, 2018, Tarkett North America announced further selling price increases on its product portfolio, effective May 1st. Tarkett, Tandus Centiva, and Johnsonite product prices will increase between 5 to 7%.

As previously announced, Andrew Bonham has now joined the Group as President and Chief Executive Officer of Tarkett North America.

CIS, APAC and Latin America

CIS, APAC and Latin America segment posted robust **5.0% organic growth** for Q1 2018 (excluding price adjustments in the CIS countries). After a strong year in 2017, the CIS countries enjoyed good momentum in the first quarter thanks to growing volumes and improvement in product mix.

Over the past few weeks, the ruble has been very volatile. We are watching the situation very closely and we will take appropriate measures in terms of selling prices when the ruble stabilizes.

Despite nice trends in China, sales in the **Asia-Pacific** region retreated slightly in Q1 2018, due to a slow start to the year in Australia and South-East Asia. **Latin America** reported a good growth, driven by Brazil in particular.

Reported sales were slightly down by **4.1%**, affected by the depreciation of the Russian ruble and the Brazilian real over the period against the euro.

Sports

Sales in Sports climbed **15.9%** in Q1 2018, **assuming constant scope of consolidation and exchange rates**. The quarter has shown strong growth in artificial turf in North America, good development of turn-key projects and a vigorous performance in landscape applications. Given the seasonality of this segment, the activity of the first quarter is structurally at a low level.

Reported sales were up **5.4%**, penalized by the depreciation of the US dollar against the euro.

Outlook

Notwithstanding a flat start to the year, we believe the underlying levels of business activity are sound.

The Group maintains the objective of achieving its 2020 financial targets (mainly adjusted EBITDA margin > 12% and ROIC > 9%, including the acquisitions' contribution - appendix 2) by the end of the plan. Given the negative impact of raw material prices and unfavorable currency movements, especially the recent evolution of the ruble, these targets will not yet be achieved at the end of 2018.

In this context, we have already implemented cost reduction measures that will quickly contribute to mitigate some of the shortfall of the first quarter. On an ongoing basis, we are continuing to review our operating cost structure.

The Group will adjust selling prices in Russia and pursue its efforts on selling prices in other regions with the goal of compensating raw material costs for the full year.

In addition, the Group is reinforcing growth initiatives to get back to growth over the course of 2018, at constant exchange rates.

The conference for analysts will be held at 11:00am CET on Wednesday April 25 and an audio webcast (live and replay, in English) will also be available on www.tarkett.com.

Financial Calendar

- April 26, 2018: Annual General Meeting
- July 25, 2018: H1 2018 financial results - *press release after close of trading on the Paris market and presentation in person the following morning*
- October 23, 2018: Q3 2018 financial Results - *press release after close of trading on the Paris market and conference call the following morning*

About Tarkett

With net sales of more than €2.8 billion in 2017, Tarkett is a worldwide leader of innovative flooring and sports surface solutions. Offering a wide range of products including vinyl, linoleum, carpet, rubber, wood, laminate, synthetic turf and athletic tracks, the Group serves customers in more than 100 countries worldwide through its major brands: Tarkett, Desso, Johnsonite, Tandus Centiva, Tarkett Sports, FieldTurf and Beynon. With approximately 13,000 employees and 34 industrial sites, Tarkett sells 1.3 million square meters of flooring every day, for hospitals, schools, housing, hotels, offices, stores and sports fields. Committed to “Doing Good. Together”, the Group has implemented an eco-innovation strategy based on Cradle to Cradle® principles and promotes circular economy, with the ultimate goal of contributing to people’s health and wellbeing, and preserving the natural capital. Tarkett is listed on Euronext Paris (compartment A, ISIN: FR0004188670, ticker TKTT) and is included in the following indices: SBF 120, CAC Mid 60. www.tarkett.com.

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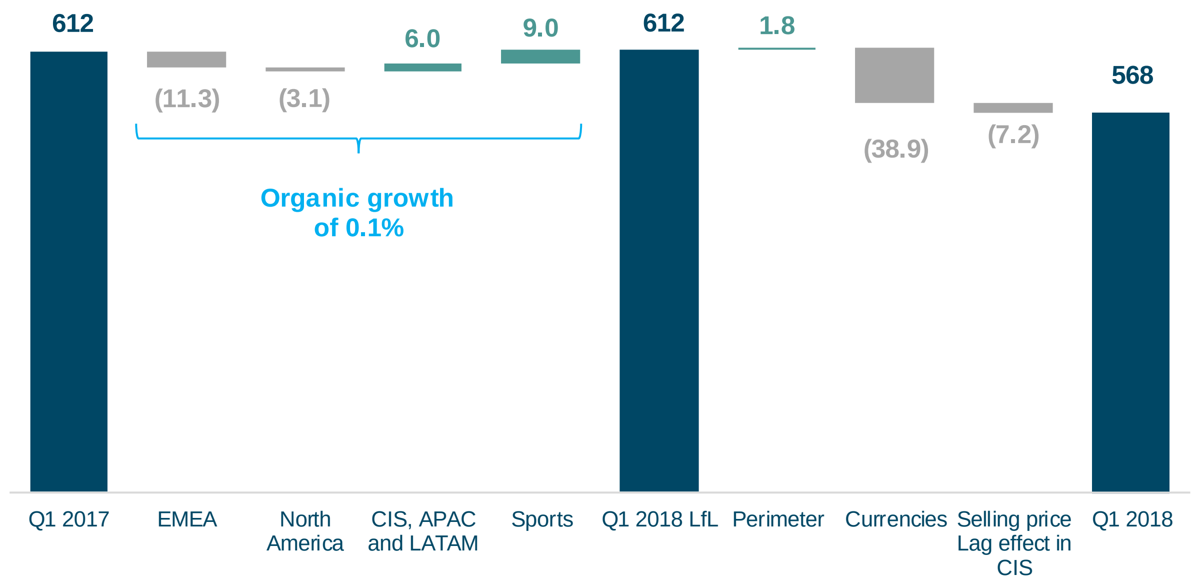
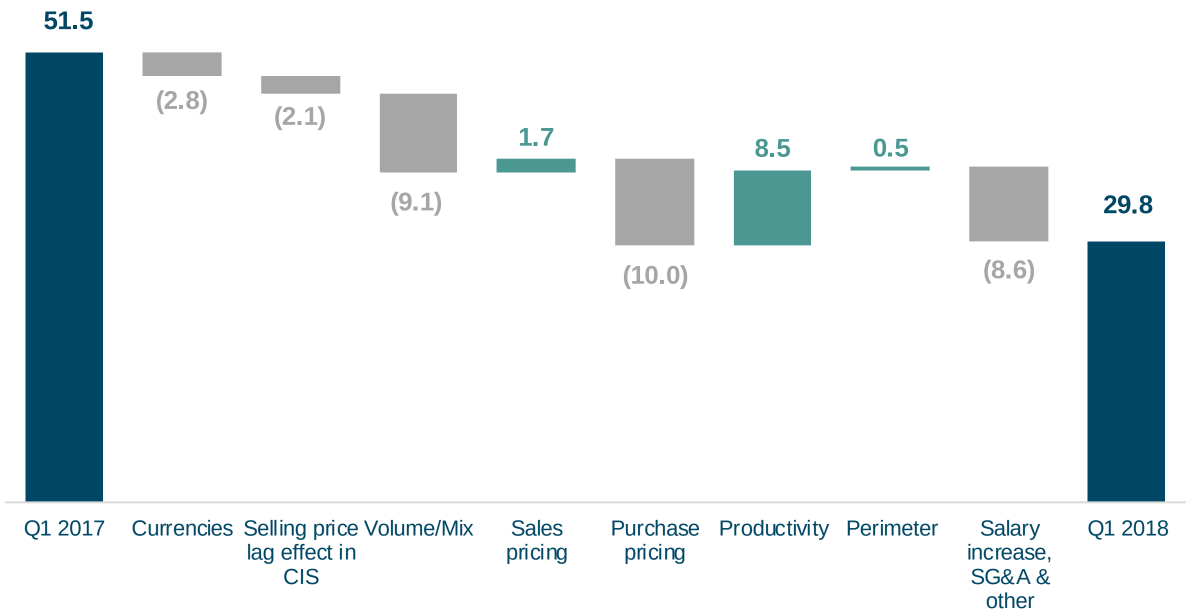
Appendices

1/ Bridges

Net sales evolution by division in million euros



Adjusted EBITDA evolution by nature in million euros



2/ 2017-2020 financial objectives communicated in October 2016, unless transforming acquisition, based on relatively stable raw material prices (as of October 2016)

- Net Sales of €3.5bn in 2020, including acquisitions
- Adjusted EBITDA margin(1) > 12%
- Return On Invested Capital (ROIC)(2) > 9%
- Additional sales by 2020 of ~€500m through acquisitions
- Net debt / adjusted EBITDA(1) < 2.5x
- Dividend: at least €0.60 per share

(1) Adjusted EBITDA: adjustments include expenses such as restructuring, acquisitions and share-based payment expenses. See the definition of alternative performance indicators at the end of this press release.
(2) Defined as the Net operating profit after tax [Adjusted EBIT * (1 – Normative tax rate of 35%)] divided by the Capital employed [Goodwill + Tangible and intangible assets + Working capital].

3/ Definition of alternative performance indicators (not defined by IFRS)

The Tarkett Group uses the following non-IFRS financial indicators:

- Organic growth
- Adjusted EBITDA

These indicators are calculated as described below.

- **Organic growth:**
  - Organic growth measures the change in net sales as compared with the same period in the previous year, at constant scope of consolidation and exchange rates.
  - The exchange rate effect is calculated by applying the previous year's exchange rates to sales for the current year and calculating the difference as compared with sales for the current year. It also includes the impact of price adjustments in CIS countries intended to offset movements in local currencies against the euro.
  - The scope effect reflects:
    - current-year sales for entities not included in the scope of consolidation in the same period in the previous year, up to the anniversary date of their consolidation;
    - the reduction in sales relating to discontinued operations that are not included in the scope of consolidation for the current year but were included in sales for the same period in the previous year, up to the anniversary date of their disposal.

  - Year-on-year net sales trends can be analyzed as follows:

€ million	Q1 2018	Q1 2017	% change	*o/w exchange rate effect*	*o/w scope effect*	*o/w organic growth*
Total Group	567.9	611.7	-7.2%	*-7.5%*	*+0.3%*	*+0.1%*

- **Adjusted EBITDA**:
  - Adjusted EBITDA is calculated by deducting the following income and expenses from result from operations before depreciation and amortization:
    - restructuring costs intended to increase the Group's future profitability;
    - capital gains and losses recognized on significant asset disposals;
    - provisions and provision reversals for loss in value;
    - costs arising on corporate and legal restructuring;
    - share-based payment expenses;
    - other one-off items considered non-recurring owing to their nature.